

Rates of RD on mobile phones rationalised

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ISLAMABAD: The government has rationalized rates of regulatory duty (RD) on import of different categories of low, medium and high value mobile phones in the Finance Supplementary (Amendment) Bill, 2018.

This has been stated in the statement of Federal Board of Revenue (FBR) released after tabling of the Finance Supplementary (Amendment) Bill, 2018 in the National Assembly.

However, the Federal Board of Revenue (FBR) has not issued the exact rates of category-wise mobile sets.

According to the FBR, the government had imposed a single rate of duty on import of a mobile phone irrespective of its price i.e. a basic unit (costing Rs 3,000-4,000 and a high-end smart phone (costing Rs100,000) both suffer the same incidence i.e. Rs 250/set.

Under the Finance Amendment Bill 2018, to rectify such inconsistencies, the regulatory duty (RD) structure on imports of mobile phones is being revised in an equitable manner.

Mobile phones import witnessed 6.06 percent growth in the current fiscal year (July-August) 2018-19 as it remained \$136.917 million compared to \$129.093 million during the same period of 2017-18.

Mobile phone imports in August 2018 remained \$67.67 million registering 11 percent growth as compared to \$60.8257 million imports in August 2017. But it was lower by 2.27 percent compared to \$69.24 million in July 2018, revealed the latest data released by the Pakistan Bureau of Statistics (PBS).

Overall telecom imports saw decline of 6.49 percent during July-August 2018 compared to the same period of the last year. Total imports were recorded at \$215.73 million during this period compared to \$230.692 million in July-August 2017, while they registered 7.06 percent growth in August 2018 and stood at \$111.544 million as compared to \$104.187 million during July 2018.

Other telecom apparatus imports witnessed phenomenal decline of over 22 percent in July-August 2018 as they stood at \$78.81 million against \$101.599 million during the

same period of the last year. When compared to the July 2018, other telecom apparatus imports registered 25.56 percent growth as it was \$34.94 million compared to \$43.87 million in August 2018.